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C O N F I D E N T I A L SECTION 01 OF 05 COLOMBO 000460

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TAGS: PGOV PREL PTER PHUM CE

SUBJECT: SRI LANKA: PRESIDENTIAL CONFIDANT (AND SIBLING)  
SAYS SECOND GENEVA ROUND MUST FOCUS ON "SUBSTANCE," NOT  
CEASEFIRE

REF: A. COLOMBO 414

- 1B. COLOMBO 322
- 1C. COLOMBO 172
- 1D. COLOMBO 090

Classified By: James F. Entwistle, Charge' d'Affaires, a.i. Reason: 1  
.4 (B, D).

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Summary  
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11. (C) Basil Rajapaksa, confidant and advisor to his older brother President Mahinda Rajapaksa, told poloff on March 22 that in the second round of talks with the Liberation Tigers of Tamil Eelam (LTTE), scheduled to be held in Geneva April 19-21, the Government of Sri Lanka (GSL) wants to move the discussion from shortcomings in the Ceasefire Agreement (CFA) to substance. To do so, the President must start developing a southern consensus on a permanent solution to the conflict in order to pre-empt anticipated LTTE complaints of GSL bad faith. Rajapaksa said the GSL does not oppose a federal solution as long as it is not a step toward an ultimate separate state. Rajapaksa confirmed that the GSL has no plans to replace Norway as facilitator but expressed dismay that the Norwegians hosted the LTTE delegation for an official visit after the first round of talks. The GSL must convince the Karuna faction that it has a stake in a continued peace process; in Rajapaksa's view the best way to do so is to help launch the LTTE dissident in politics. On the domestic political front, Rajapaksa predicted the Sinhalese nationalist Janatha Vimukthi Peramuna (JVP) would double its standing in locally elected bodies after the March 30 election but would not challenge the President on the peace process. Despite his pro-labor background, the President will crush potential strikes in the electricity, health and railway sectors, his brother said. End summary.

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GOVERNMENT VIEWS ON  
ROUND TWO

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¶2. (C) In a March 22 meeting, Presidential Advisor Basil Rajapaksa told poloff the Government of Sri Lanka (GSL) had obtained exactly what it wanted from the February 22-23 round of talks with the Liberation Tigers of Tamil Eelam (LTTE) in Geneva: a) an end to the violence; and b) a commitment for a second round. With those objectives achieved, the GSL wants to move on to more substantive matters--e.g., initial discussions about a permanent settlement--at the second round. "We wanted to bring them to the table. Now we have to keep them there and keep the killings down." Rajapaksa acknowledged that the LTTE, on the other hand, is likely to try to keep the focus in the second round squarely on the Ceasefire Agreement (CFA)--and use the two days in Geneva to complain (primarily to the international community and the Tamil diaspora) that the GSL has not kept its commitments. In so doing, the LTTE will be merely "playing for time" and not seriously addressing the true aspirations of the Tamil community, Rajapaksa asserted. LTTE renegade "Karuna is not a problem for the Tamil people; he is a problem for (LTTE supremo) Prabhakaran" that the Tigers want to force the GSL to solve for them, Rajapaksa complained. "If we stick to (problems in) the CFA, there will be no progress" on the issue of real concern to Tamils--a permanent settlement, he argued. The more we delay, the more we stay on the same futile track of CFA violations, Karuna complaints, etc., he said--and the more the LTTE can accuse the GSL of failing to move ahead.

¶3. (C) To move past the CFA sticking points toward more substantive matters with the Tigers, the President must start discussions with southern political parties about the

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outlines of a permanent settlement. While the President obviously cannot achieve consensus on this complex and sensitive question before the beginning of the next round of talks with the LTTE in Geneva on April 19, Rajapaksa acknowledged, he could at least start the process in the south--thereby forcing the LTTE to address these issues as well. At the same time, however, southern parties have to move past trying to score political points by debating the merits of the CFA as well, he indicated. There are "a lot of wrong things" and "loopholes" in the CFA; southern parties "shouldn't argue on this." The bottom line is that the killings have stopped, he emphasized; meaningless debate about whether the February 23 joint statement constitutes an amendment to the CFA is irrelevant.

¶4. (C) Acknowledging that the LTTE is unlikely to welcome substantive discussion at this stage, Rajapaksa said he hoped to meet Norwegian Minister for International Development Erik Solheim and Jon Hanssen-Bauer, Norway's newly appointed Special Envoy on the peace process, in London March 29-30 (note: please strictly protect) to discuss the agenda for the second round. (We learned later that Hanssen-Bauer may be in Sri Lanka at that time.) In addition, he will try to sound out the Norwegians on the "grade" the GSL is likely to receive from the Sri Lanka Monitoring Mission (SLMM) on upholding the commitments made in the February 23 joint statement (Ref A). (Note: Our SLMM, Swiss and Norwegian interlocutors have indicated to us that they do not believe that the GSL is doing enough to disarm the paramilitaries. The mere lack of violent incidents may not be enough to get the GSL an "A"; the Nordics seem also to be looking for arrests of Karuna cadres, confiscation of Karuna weapons, etc.)

¶5. (C) The principals on the GSL delegation will remain the same for the second round, Rajapaksa said, although the total size of the delegation will be smaller. (Note: The LTTE had complained in the first round that the GSL side had outnumbered it.) As was the case during the first round, Rajapaksa will likely be in Geneva (although not as an official member of the delegation) for the talks in April.

(During the first round, Rajapaksa stayed in a separate hotel from the delegation and did not attend the actual talks. Nonetheless, he kept a close eye on the proceedings, and many key matters of substance were reportedly referred to him for a final decision. A member of the GSL delegation during the first round commented to Ambassador later that the real head of delegation was not Health Minister de Silva but Basil Rajapaksa.) When asked if the rookie GSL delegation members had established a rapport with their more seasoned Tiger counterparts, Rajapaksa replied, "The LTTE is shrewder" than the GSL side and succeeded in discussions on the margins of the talks in getting individual GSL ministers to say different things from each other, thus suggesting inconsistency in the government position. There should be one channel of communication to keep all the team members on the same page, he commented.

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CAN FINAL SOLUTION BE FEDERAL?  
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¶ 16. (C) The President is not categorically opposed to federalism as part of a possible permanent settlement, Rajapaksa explained, as long as the LTTE does not use federalism as a "stepping-stone" toward a completely separate state. He cautioned, however, that the LTTE would have to disarm before a federal system could be implemented, and expressed doubt that the LTTE, once a federal system were agreed to, would be content. In his view, the LTTE has never given up the objective of a separate state. The Tigers have been able to achieve more toward that aim through peace than war, he charged, and are playing along with talks now to see what they can gain. By moving the Geneva talks toward

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discussions on a permanent resolution, the GSL can call the Tigers' bluff, Rajapaksa said.

¶ 17. (C) A California resident, Rajapaksa used the relationship of U.S. states to the federal government as a possible acceptable model. As in the U.S., a hypothetical LTTE "state" in a federal system could levy state taxes, but residents would still have to pay federal taxes, would still be citizens of Sri Lanka and would still be obliged to respect Sri Lankan law. An LTTE "state" could have a police force, but it could not raise its own army and it would have to permit federal law enforcement officers to enter "state" territory, as appropriate and necessary, he clarified.

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THE CONFIDENCE GAME:  
GSL NOT PLAYING  
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¶ 18. (C) While the GSL has relaxed some fishing restrictions, it is unlikely to offer greater concessions as confidence-building measures, e.g., turning over some of the property appropriated at High Security Zones (HSZs), Rajapaksa indicated. People who were evicted from homes in the HSZs do not want to return there anyway, he asserted. (Comment: We have met at least some who do.) Nor does it seem that hoped-for progress on several high-profile human rights cases can be counted on as confidence-building measures in the next round. When asked whether the case against Special Task Force policemen suspected in the January 2 extra-judicial killings of five Tamil students in Trincomalee would be charged (Ref C), Rajapaksa replied that the ballistics report did not match the suspects' weapons. The police in Trincomalee must have changed their weapons, he concluded glumly, and the GSL has no evidence against them now. With respect to the alleged abductions of seven Tamil Rehabilitation Organization (TRO) employees in January (Ref C), Rajapaksa said police investigators had been unable to establish any leads and had concluded that the LTTE itself had abducted them.

KARUNA: FROM PARAMILITARY TO POLITICO?

¶9. (C) Noting the drop-off in attacks by the Karuna faction, poloff asked if the GSL had passed a message and/or cut links with the group. Without acknowledging that any links ever existed, Rajapaksa instead blamed a foreign "force that wants to embarrass the Sri Lankan Government" (we suspect he means India) for supporting and encouraging Karuna's violent activities; the GSL had told that foreign force "to hold off" now. But now that Karuna has nothing to do, the GSL is trying to "persuade him to come for politics," Rajapaksa said, to give the dissident LTTE commander a stake in the peace process. "We have to show he can get something from peace," Rajapaksa commented. Karuna could be the democratic alternative to the LTTE in the east, just as former paramilitary-turned-parliamentarian Eelam People's Democratic Leader (EPDP) leader Douglas Devananda is in the north, Rajapaksa suggested. Members of the Tamil diaspora are contributing money to Karuna, he reported, which he cited as evidence of the former eastern military leader's popularity with the Tamil community. (Comment: Karuna also reportedly continues to extort money from Tamils in the east.

It is unclear if these purported contributions are raised in a similar way.) He suggested that the Embassy establish contacts with the Karuna group to help encourage them along the path to democratic politics.

NORWAY: A GOOD FACILITATOR  
BUT PARTIAL UMPIRE

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¶10. (C) While acknowledging Norway's useful role at the Geneva talks, Rajapaksa nonetheless grumbled about its "red carpet" reception of the LTTE delegation in Oslo after the talks (Ref A). "They should realize that that doesn't make it easy for us," either with hardliners in the south or with the Tigers themselves. (Note: Rajapaksa claimed that the GSL was not informed ahead of time of Norway's plans to host the LTTE.) Using a cricket analogy, Rajapaksa commented that Norway is a good umpire, "but is it fair for an umpire to invite just one team home for dinner after the first innings?" Someone has to earn the LTTE's trust and confidence to encourage participation in talks, he conceded, and Norway is very good at that. He questioned, however, whether that same country, having established such a special relationship with the Tigers, could then be an effective and impartial facilitator.

HOW CAN THE CO-CHAIRS HELP?

¶11. (C) The co-chairs could best assist the GSL by urging the LTTE to move on to considering more substantive issues, such as the elements of a permanent settlement, in the second round. "Now that the peace is done, tell them, 'don't bring up the Karuna faction,'" he urged, reiterating "All the issues the LTTE raises are not issues for the Tamil people." IN the meantime, he added, like the LTTE, the GSL "must show its strength" while pursuing peace talks by keeping its military well trained and equipped.

LOCAL POLITICS

¶12. (C) Rajapaksa predicted that the JVP may double its strength (from about 200 members to 400) in local councils after the March 30 elections but said he was unsure whether the Sinhalese nationalist party would succeed in winning

complete control of any additional councils. (At present, the JVP has control of only one local council in the southern district of Hambantota.) The JVP is holding larger rallies during the campaign because its strategy is different from that of either of the two largest parties, the governing Sri Lanka Freedom Party (SLFP) or the opposition United National Party (UNP), he explained. The JVP campaigns for a total number of votes for the party, whereas SLFP and UNP candidates campaign for themselves individually, rather than for the party. Even if the JVP does well in the elections, it will not affect the party's backing for the President in the peace process, he said, because the hardliners are confident that the President will never sell out the country to the LTTE. He added that the President is unlikely to call general elections before the regularly scheduled date of 2009; "why should he?"

¶13. (C) Once local elections are behind him, the President (a one-time Labor Minister) will crush labor agitation in the rail, health and electricity sectors, using the military to "run the railroads" and replace striking electricity workers if need be, Rajapaksa said. When asked if diverting military resources to break strikes would not compromise security, Rajapaksa replied, "It would only be for three weeks," after which the striking workers were certain to return. Turning to problems within the Cabinet, Rajapaksa reported that the President had asked Sports Minister Jeevan Kumaratunga, who was implicated in a recent U.S. visa scam (Ref B), to resign.

The President was a little worried that asking Kumaratunga, one of only three Christians in the Cabinet, to step down might be misconstrued as an attempt to purge the Cabinet of Christians--especially after he had had to ask two other Christian MPs who were ministers in the previous Cabinet to

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give up their portfolios to accommodate non-Christians. However, Minister Kumaratunga could not be spared after he made statements to the press basically acknowledging that he had allowed Ministry premises to be used for visa/employment facilitation purposes, Rajapaksa concluded. (Comment: We suspect the Sports Minister's kinship with former President and Rajapaksa political rival Chandrika Kumaratunga--Jeevan is her brother-in-law--likely influenced the President's decision as well.)

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COMMENT  
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¶14. (C) Rajapaksa is one of the President's closest and perhaps most trusted advisors. A resident of the U.S. for almost 10 years, he and brother Defense Secretary Gotabhaya Rajapaksa, along with other returnees from the U.S. now working closely with the President (e.g., MP Dulles Alahapperuma) likely provide a welcome and helpful counterweight to traditionally anti-American "old-think" elements in the SLFP. During the first round of talks, even though not a member of the delegation, Rajapaksa was the President's point man entrusted with tackling--and having the authority to commit the GSL on--sensitive and difficult issues that arose during the course of the discussions.

¶15. (C) Comment (cont.): The LTTE and GSL naturally want different things from the second round of talks. The LTTE wants the GSL to clean up the Karuna problem for it by disarming the few hundred or so cadres that likely remain in the east--or use the talks as a venue to expose the GSL's "bad faith" in failing to do so. The GSL, on the other hand, clearly wants to move the discussion away from Karuna--whom it obviously still sees as a bastion against LTTE dominance in the east--toward a topic on which it has its own hopes of exposing LTTE "bad faith"--a permanent solution. Having no clear strategy on how to move the talks forward, however (and obviously having no plans to offer other confidence-building measures), the GSL seems to be relying on Norway to perform a near-miracle and convince the LTTE to agree to such an item

on the agenda. There is nothing wrong in urging both parties to begin thinking about the outlines of a permanent settlement, and the GSL is right to want to coax the Tigers into some preliminary discussions of what an acceptable outcome might be. That said, Rajapaksa's argument that the first round sufficiently addressed all CFA concerns is disingenuous. Prospects for agreement on a final settlement hinge on keeping the CFA alive and well, and it is too soon for the GSL to consider that chapter closed. Any efforts to develop a southern consensus on a permanent settlement that do not also address how to bolster the CFA have little chance of long-term success.

ENTWISTLE